



CONFLICT OF INTEREST POLICY
concerning smarter-investments.com



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1. Introduction

This Conflicts of Interest (“COI”) policy is adopted by Van Sterling Capital Ltd. (“VSC” or “The Group”) and its employees. The entities that make up the Group are listed below:

| Name | Abbreviation | Functions | Regulator | Territory |
|---------------------------|--------------|--|-----------|-----------|
| Van Sterling Capital Ltd. | VSC | <ul style="list-style-type: none"> Investment Manager of discretionary segregated accounts Investment Manager of Securitisation Vehicles | MFSA | Malta |
| Peregenius SCC Ltd. | PER | Securitisation Vehicle Platform for Sub Cells | MFSA | Malta |

The overarching principle is that the regulated entity VSC the entity PER which is supposed to issue notified financial instruments are required to take all reasonable steps to identify and manage conflicts of interest between them and their clients, or between one client of the Group and another.

It is policy that employees (and their Associates - see section 3 below), Directors (of all securitisation vehicle cells and the regulated entity) and others acting on VSC’s or PER’s behalf must be free from Conflicts of Interest that could adversely influence their judgment, objectivity or loyalty to the company in conducting VSC’s business activities. Where a “COI” does arise, it must be promptly reported. The Group recognizes that employees may take part in legitimate financial, business, charitable and other activities outside their roles at VSC, but any potential “COI” raised by these activities must be disclosed promptly to management.

Even the appearance of a “COI” can damage the interests of VSC and therefore should be avoided where possible. VSC encourages a culture of openness – disclosure of “COIs” should be embraced and not ignored.

As the following persons are crucial to minimizing and managing “COI” within the Group, they must sign a declaration confirming their receipt of this policy and agreement to work within it:

- Directors of entities within the Asset Management of the Group.
- Members of the Investment Committees
- The Compliance Officer
- Business Development (sales) Executives
- All employees

A copy of this declaration is included in **Appendix A**.

2. What is a Conflict of Interest?

Conflicts of Interest which carry a material risk of damage to the interests of a client may include situations where the Group or any person directly or indirectly linked to the Group:

1. is likely to make a financial gain or avoid a financial loss at the expense of a client, or as a result of a Fund or Managed Account, in which the client has an investment, entering into a transaction,
2. has an interest in the outcome of a service provided to, or of a transaction carried out on behalf of, a client which is distinct from the client's interest in that outcome,
3. has a financial or other incentive to favour the interests of another client or group of clients over the interests of the client,
4. carries on the same business as a client,
5. receives, or will receive, from a person other than a client an inducement in relation to the service provided to that client in the form of monies, goods or services, other than the declared standard commission or fee for that service,
6. designs, markets or recommends a product or service without properly considering all the VSC's other products and services and the interests of its clients and makes the fees payable in such product clear to the client, or
7. where there is non-disclosure of the Group or employees having an interest or position in an outcome of a transaction that is at odds with the outcome sought by the client.

3. Relevance of Conflict of Interest Policy to staff and their associates

The term "associate" defines an affiliated Company, or another person (individual or body corporate) whose business or domestic relationship with the employee or his associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties.

Practicably, this means:

1. Family member or other similar trusts (school, foundation for the arts etc.) where a member of staff and/or their associate has an input into how trust assets are allocated;
2. Close companies, partnerships or any other entity which makes investments and which is influenced by a member of staff or their associate.

This policy, inter-alia, addresses possible "COI" between the Group's clients, its employees and its employees' Associates as described above.

4. Conflicts of Interest identified by the firm

The regulated activities conducted by the firms in The Group are detailed in Section 1 above.

The Group has conducted an analysis of where conflicts of interest could arise in conducting these activities and notes that the principal areas where conflicts of interest could arise are as follows:

Between employees (and their associates) and the Group's clients

- a. Where the Group's discretionary investment managers (VSC) decide to make an investment for one or more of their discretionary clients in (1) a fund which has a closed or restricted allocation (either a Fund or another collective investment scheme), or (2) an equity, at the same time as a Group employee and/or their Associate has requested to make an investment in the same fund or equity.
- b. Where one of the Group's clients, on whose behalf it arranges transactions in investments, requests make an investment in (1) a fund which has a closed or restricted allocation (either a Fund or another collective investment scheme) or (2) and equity at the same time as a Group employee and/or their Associate has requested to make an investment in the same fund or equity.
- c. Where the VSC (as the advisor) has advised a client to invest through one of the securitisation cells which has a closed or restricted allocation at the same time as an employee of the Group or their Associate of the has requested to make an investment in the same underlying fund or equity.
- d. Where an employee of the Group is part of the decision-making process by which the Group makes or recommends the making of an investment in an entity in an entity or vehicle, in which that employee or their Associates have an undeclared interest.

Between one discretionary investment management client (segregated) of the Group and another

- e. In transactions where the Group has decided that an investment in one of the Peregenius cells or an equity is desirable and may be suitable for two or more of the Group's discretionary investment management clients in circumstances where, by virtue of the cells or equity in question having closed or restricted allocations, investment can only be made on behalf of one of the two discretionary clients or on a limited basis.
- f. In transactions where the Group has determined that an investment in an investment fund or share is desirable and may be suitable for one or more of the Group's clients who manage investments on a discretionary basis and where a client on whose behalf the Group transacts in investments makes an allocation to the same fund or share in circumstances where, due to the closed or restricted allocation of the relevant fund or share, the investment can only be made on behalf of one of the two clients or on a restricted basis

Between one client of the discretionary investment management (segregated account) side of the Group and the PER cells

- g. Here the Group has decided that an investment in a PER Cell or equity is suitable for a discretionary investment client of the Group and one of more of the cells in circumstances where, by virtue of the fund in question having closed or restricted

allocations, investment can only be made on behalf of either the discretionary client of the Group or the cells or for both clients on a restricted basis.

5. Managing Conflicts of Interest

Employees of the Group are expected to conduct themselves in a way that avoids “COI” wherever possible. When a “COI” is identified or where a potential “COI” may arise, all employees have a duty to ensure the fair treatment of all the parties involved and to make the appropriate disclosures. In some instances, a “COI” cannot be avoided but, in all such circumstances, such “COI” must be disclosed to all the parties involved and all the circumstances surrounding such a “COI” must be reported to senior management. If conflicts are not properly identified and managed, the Group, its employees and their Associates could lose revenue, suffer reputational damage and be subjected to legal or regulatory action. Accordingly, the Group has procedures for managing conflicts of interest as set out below:

Personal account dealing requirements

The Group operates personal account dealing requirements which, among other things, prohibit employees of the Group from undertaking dealing in circumstances where such dealing would conflict with duties owed by the Group to its clients (both those with segregated, discretionary mandates and those directly invested into the Funds or cells). As an incentive for employees of the Group and to allow alignment with clients’ interests, employees are permitted to invest in the Funds or cells including Funds or cells which are closed or restricted to outside investors.

External business interests

External business interests of employees of the Group conflicting with the Group’s interests and the interests of the Group’s clients are prohibited, unless senior management approval has been sought in writing and obtained. No approval will be given to employees seeking to make any form of financial gain from an association with any type of Fund or organisation that manages or promotes any fund, that any of the portfolios may invest in.

Independence policy

Where the Group, or an individual employed by the Group has an interest, arrangement or relationship which may be considered likely to influence:-

- Any exercise of discretion by its segregated account discretionary investment managers,
- Any exercise of discretion by the managers of the Funds or cells; and/or
- The sales practices of its business development executives.

It/they must disregard that interest, arrangement or relationship when exercising that discretion or making that sale.

Chinese walls

This is the term used for the established arrangements, which prevent the unauthorised flow of confidential information from one pre-defined part of the Group, to another pre-defined part of the Group. These arrangements define the circumstances in which each Group entity can communicate confidential information, either within the entity or to other Group entities and the procedures which must be followed. The nature of the Group's business is such that it does not need to have Chinese walls in place on a permanent basis but such arrangements could be used on an ad hoc basis if and when the need arises.

"Need To Know" Policy

The Group operates a "need to know" policy. Commercial and / or price sensitive information should only be passed to other people within the Group when there is a clear "need to know" on the part of the recipient and the information transfer is in accordance with the best interests of the Client.

Restriction on access to information/electronic data

In order to minimise the risk of accidentally disseminating confidential information, all employees are asked to ensure that when they leave their desk unattended, sensitive and confidential correspondence and information is not left on the desk so that it is visible and computers are either switched off or locked. As an additional precaution, computers will automatically lock if unattended for a short period.

The access to computer drives and to files located within drives can be and is restricted by the use of passwords and user IDs. Approval of the Managing Director is required for access to any drive to be shared with users from other departments.

Where confidential information is to be disposed of, employees should make sure that this is done in a secure way e.g. through shredding.

Gifts and inducements log

The Firm maintains a gift log registering the solicitation, offer or receipt of certain benefits.

Separation of function

Job roles are designed to limit the potential for conflicts of interest. Where appropriate and proportionate, systems and controls exist to prevent employees from undertaking roles where such a conflict may exist. As part of the Compliance Department's regular review of each Department's obligations, the roles undertaken by individuals within that department and the segregation of duties are reviewed as appropriate.

Portfolio Allocation Meetings

On a monthly basis the individual segregated account managers and key members meet to discuss fair allocations of investments across the portfolios. The Compliance Officer can attend these meetings to ensure that issues regarding fair allocation are discussed and addressed

appropriately. In particular, where a finite amount of capacity is available, whether it be in a fund or a collect investment scheme or other underlying fund, will allocate between the portfolios that are deemed by their mandates suitable for investment and where those accounts have sufficient cash to make the investment.

Anti-Bribery and Corruption Procedures

The Group has in place an anti-bribery and corruption policy which sets out the Group's commitment to adhering to the highest ethical and legal standards.

6. Action to be taken when a "COI" is identified

In the specific case of the "COI" that may arise in the allocation of an investment in a fund, cell or strategy with limited capacity, or in respect of an equity with limited availability, the procedure is to recommend the following allocation methodology to the Investment Manager:

Restricted Portfolio Allocation Policy:

Where a percentage allocation is recommended, it must be recommended for all portfolios with the same or near similar, risk/return mandates. Firstly, all appropriate portfolios should be assessed to see that they have sufficient cash available, or sufficient undrawn bank overdraft facilities, to make the investment. The sum of all the amounts required for all portfolios, where the investment is both appropriate and there are sufficient proceeds available, should be calculated. Where this amount exceeds the available investment amount, then all accounts should be scaled back on a pro-forma basis in accordance with Group Allocation Policy.

Group's Allocation principle requires that allocations to portfolios must be made based on the portfolio's AUM and any interests of the Group, for example as a result of differing fee structures, to allocate to portfolios which pay the higher fees, must be disregarded.

In the specific case where an employee has an interest in the outcome of a decision by the Group, this interest must be declared to the Compliance Officer and the employee must withdraw from the investment decision making process. All conflicts must be registered by the Compliance Officer in the Conflicts of Interest register. A copy of this declaration is included in **Appendix B**.

The Compliance Officer can attend the monthly Portfolio Allocation meeting to ensure that all potential Conflict of Interest between the Funds, cells and portfolios in Managed Accounts are discussed. The Compliance Officer can request further dedicated "COI" meetings to ensure that any potential Conflicts of Interest between the Group's discretionary investment management clients are discussed and appropriately disclosed and managed.

7. Disclosure

Where a conflict of interest arises in circumstances where the Group's arrangements for managing conflicts of interest are insufficient to ensure the prevention of risks of damage to a

Client's interests as per the above conflicts of interest identified by the Group, the Group will consider making further disclosures to the Clients of the existence of the conflict and seek the permission of interested parties to act, notwithstanding the existence of the conflict. The disclosure must include sufficient detail to enable a client to take an informed decision with respect to granting permission. In managing conflicts of interest, the Group will pay due heed to the Client's investment objectives, the content of their portfolios/underlying fund make up (for the Funds or cells) and the Funds and cells investors' objectives.

8. Reviewing conflicts of interest management

The Group will conduct periodic reviews of its conflicts of interest management procedures including the Group's conflicts policy.

9. Further information

Questions or requests for further information relating to the Firm conflicts policy should be addressed to the Compliance Officer and the Managing Director who can be contacted on compliance@vansterling.com and sven.buechel@vansterling.com.

10. Information to be maintained by the compliance department

- Conflicts of interest identified by the company (including how they are managed): All conflicts of interest are recorded in the Company's Conflicts of Interest Register (***see Appendix B***).
- Details of associates of all directors / employees.
- Details of relevant trading transactions undertaken by employees and their associates.
- Details of requests made by employees and their associates and approvals/denials granted by the Compliance Officer.

Appendix A
Confirmation of receipt of Conflicts of Interest Policy

The overarching principle of the Group's Conflicts of Interests policy is that every relevant employee and adviser must act in the interests of the customer and disregard any material interest or conflict of interest when advising a client, selling to them or dealing for a client in the exercise of discretion.

I will ensure that any material interest or conflict of interest will be disregarded when advising or dealing for a client in the exercise of discretion or selling a product to them.

I declare that I am aware of and agree to abide by VSC's Conflicts of Interests Policy at all times I further confirm that if I am in any doubt of how this policy is to be interpreted, I will discuss the matter with the Compliance Officer.

(Please sign and return one copy to compliance@vansterling.com or sven.buechel@vansterling.com.)

Place, Date

Name, Surname

Signature

Appendix B
Template Conflicts of Interest Register

| Date | Reporting Person | Nature of Interest | Value of Interest | Date of Compliance Review |
|------|------------------|--------------------|-------------------|---------------------------|
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